

DEBTOR: Marion Energy Inc

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 14-31632

Form 2-A
COVER SHEET

For Period Ending January 31 2015

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 2/16/2015

Print Name: Elaine Tran

Signature: 

Title: Controller

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: Jan 1 2015 to Jan 31 2015

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ 343,279.08 (1)	\$ 5,745.76 (1)
2. Cash Receipts		
Operations	0.00	0.00
Sale of Assets	0.00	0.00
Loans/advances	400,000.00	1,400,000.00
Other	0.00	50,000.00
Total Cash Receipts	\$ 400,000.00	\$ 1,450,000.00
3. Cash Disbursements		
Operations	402,111.32	1,114,578.00
Debt Service/Secured loan payment	0.00	0.00
Professional fees/U.S. Trustee fees	325.00	325.00
Other	0.00	0.00
Total Cash Disbursements	\$ 402,436.32	\$ 1,114,903.00
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	-2,436.32	335,097.00
5 Ending Cash Balance (to Form 2-C)	\$ 340,842.76 (2)	\$ 340,842.76 (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash		\$ 0
DIP Operating Account	<u>Wells Fargo Bank 9882</u>	340,842.76
DIP State Tax Account		0.00
DIP Payroll Account		0.00
Other Operating Account	<u>Wells Fargo Bank 6042</u>	0.00
Other Operating Account	<u>Wells Fargo Bank 0277</u>	0.00
Other Interest-bearing Account	<u>Wells Fargo Bank 7247</u>	0.00
TOTAL (must agree with Ending Cash Balance above)		\$ 340,842.76 (2)

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: Jan 1 2015 to Jan 31 2015

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

Wells Fargo Bank 9882

Date	Payer	Description	Amount
01/20/2015	TCS II	DIP Loan	\$ 400,000.00

Total Cash Receipts \$ 400,000.00 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: Jan 1 2015 to Jan 31 2015

CASH DISBURSEMENTS DETAIL

Account No:

Wells Fargo Bank 9882

(attach additional sheets as necessary)

Date	Check No.	Payee	Description (Purpose)	Amount
01/02/2015	Debit010215	Wells Fargo Bank	Bank Fees	275.00
01/05/2015	1040	Beckham County Treasurer	Property Taxes	681.00
01/05/2015	1040	Beckham County Treasurer	Property Taxes	1,620.00
01/06/2015	1041	Time Warner Cable	Telephone Expense	832.22
01/06/2015	1042	Paragon Automation	Charts	257.50
01/06/2015	1042	Paragon Automation	Charts	324.70
01/06/2015	1042	Paragon Automation	Charts	762.07
01/06/2015	1043	Rocky Mountain Power	Electricity	142.35
01/06/2015	1044	GE Credit Equities, Inc.	Office Expense	429.15
01/06/2015	1044	GE Credit Equities, Inc.	Office Rent	8,099.67
01/06/2015	1044	GE Credit Equities, Inc.	Office Utilities	652.00
01/06/2015	1045	Guardian	Health Insurance Expense	3,191.60
01/06/2015	1046	Christensen Brothers	LOE - Snow Removal	15,210.00
01/06/2015	1047	United Health Care	Health Insurance Expense	19,464.06
01/06/2015	1048	ONRR	Delay Rentals	100.00
01/06/2015	100011-100020	Various	Royalties Payable	1,706.57
01/06/2015	WT Fed#05712	Enviro Rehab & Construction	Equip Rental	5,940.85
01/06/2015	WT Seq#59792	Thomas Petroleum LLC	Fuel	3,500.00
01/07/2015	1049	JW Power Company	Compression	18,711.33
01/07/2015	WT Fed#09118	Enviro Rehab & Construction	LOE - Snow Removal	5,970.00
01/07/2015	WT Fed#09118	Enviro Rehab & Construction	Pumper	1,012.50
01/07/2015	WT Fed#09118	Enviro Rehab & Construction	Repairs & Maint	1,107.50
01/12/2015	1050	Gollob Morgan Peddy	Accounting Fees	400.00
01/12/2015	1051	CentraCom	Equip Rental	52.99
01/12/2015	1052	CubeSmart	Storage	198.00
01/12/2015	150109	Wells Fargo	Bank Charges	286.60
01/14/2015	1053	Enviro Rehab & Construction	LOE - Snow Removal	3,350.00
01/14/2015	1053	Enviro Rehab & Construction	Materials & Supplies	159.58
01/14/2015	1053	Enviro Rehab & Construction	Pumper	972.00
01/14/2015	1054	Jon Nuttal	LOE - Snow Removal	9,562.50
01/14/2015	1055	Christensen Brothers	LOE - Snow Removal	5,940.00
01/14/2015	1056	Gollob Morgan Peddy	Accounting Fees	4,000.00
01/14/2015	150115	Wells Fargo Payroll	Bank Charges	158.71
01/14/2015	150115	Wells Fargo Payroll	Payroll Taxes	19,458.13
01/14/2015	150115	Wells Fargo Payroll	Net Payroll	43,826.84
01/16/2015	WT Fed#07891	Traton Engineering	Pump Repairs	40,000.00
01/19/2015	1057	Rickard DeMille	Office Expense	213.78
01/19/2015	WT Fed#00960	Clear Creek Homeowners Ass	Leasehold Costs-ROW	3,000.00
01/20/2015	1058	Enviro Rehab & Construction	LOE - Snow Removal	2,850.00
01/20/2015	1058	Enviro Rehab & Construction	Pumper	1,080.00
01/20/2015	1058	Enviro Rehab & Construction	Repairs & Maint	1,611.84
01/20/2015	Debit012215	Utah State Tax Commission	OGC Conservation Taxes	135.41
01/20/2015	WT Fed#08192	BODEC Inc	Heat Trace	10,000.00
01/20/2015	WT Seq#79474	Thomas Petroleum LLC	Fuel	3,000.00
01/20/2015	xxxxxx4992	Utah State Tax Commission	Utah Mineral Withholding	1,311.27
01/21/2015	WT Fed#09970	Jeffrey Clarke	Meals & Entertainment	250.17

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: Jan 1 2015 to Jan 31 2015

CASH DISBURSEMENTS DETAIL

Account No:

Wells Fargo Bank 9882

(attach additional sheets as necessary)

Date	Check No.	Payee	Description (Purpose)	Amount
01/21/2015	WT Fed#09970	Jeffrey Clarke	Travel Expense	1,084.20
01/23/2015	Debit012215	Wells Fargo Payroll	W-2 Processing Fees	84.00
01/23/2015	WT Fed#03409	Douglas Flannery	Consulting Fees	25,000.00
01/23/2015	WT Fed#03409	Douglas Flannery	Travel Expense	2,849.81
01/26/2015	1059	U.S. Trustee Payment Center	US Trustee Fees	325.00
01/26/2015	1060	Enviro Rehab & Construction	LOE - Snow Removal	1,350.00
01/26/2015	1060	Enviro Rehab & Construction	Pumper	1,080.00
01/26/2015	1061	Elaine Tran	Office Expense	293.50
01/26/2015	1062	Kenneth L Maun	Property Taxes	1,588.16
01/27/2015	150127	Wells Fargo Payroll	Payroll Taxes	92.00
01/27/2015	WT Fed#00700	The Calvin K. Jacob Family Pa	Leasehold Costs-ROW	3,514.15
01/28/2015	1064	David Smith	Truck Allowance	1,500.00
01/28/2015	WT Fed#09012	Leland D. Endsley	Travel Expense	5,000.00
01/29/2015	150130	Wells Fargo Payroll	Bank Charges	85.35
01/29/2015	150130	Wells Fargo Payroll	Payroll Taxes	17,152.03
01/29/2015	150130	Wells Fargo Payroll	Net Payroll	43,826.94
01/29/2015	WT Fed#02414	Parsons Behle & Latimer	Legal Fees-Regulatory	12,460.70
01/29/2015	WT Fed#02421	Parsons Behle & Latimer	Legal Fees-Bankruptcy	30,388.05
01/29/2015	WT Fed#03526	Karel Louman	Office Expense	55.13
01/29/2015	WT Fed#03526	Karel Louman	Telephone Expense	109.99
01/29/2015	WT Fed#03526	Karel Louman	Travel Expense	118.48
01/29/2015	WT Fed#08398	Jeffrey Clarke	Telephone Expense	401.94
01/30/2015	1065	Brown Insurance Services	Insurance Expense	11,994.00
01/30/2015	Debit013015	Wells Fargo	Bank Charges	275.00

Total Cash Disbursements \$ 402,436.32 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

Form 2-C

COMPARATIVE BALANCE SHEET

For Period Ended: January 31 2015

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 340,842.76	\$ 5,745.76
Accounts Receivable (from Form 2-E)	0.00	0.00
Receivable from Officers, Employees, Affiliates	0.00	0.00
Inventory	0.00	0.00
Other Current Assets :(List)		
<u>Deposits</u>	45,742.80	45,184.80
<u>Prepaid Expenses</u>	65,926.89	124,117.77
<u>Accrued Revenue Receivable</u>	34,786.07	6,671.00
Total Current Assets	\$ <u>487,298.52</u>	\$ <u>181,719.33</u>
Fixed Assets:		
Land	\$ 0.00	\$ 0.00
Building	0.00	0.00
Equipment, Furniture and Fixtures	114,183.92	114,183.92
Total Fixed Assets	<u>114,183.92</u>	<u>114,183.92</u>
Less: Accumulated Depreciation	(60,193.68)	(55,349.67)
Net Fixed Assets	\$ <u>53,990.24</u>	\$ <u>58,834.25</u>
Other Assets (List):		
<u>Net Oil & Gas Properties</u>	85,167,633.07	84,821,926.23
<u>Bond Deposits</u>	995,930.00	995,930.00
TOTAL ASSETS	\$ <u>86,704,851.83</u>	\$ <u>86,058,409.81</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 20.00	\$ 0
Post-petition Accrued Profesional Fees (from Form 2-E)	124,321.59	0
Post-petition Taxes Payable (from Form 2-E)	0.00	0
Post-petition Notes Payable	3,647,847.74	0
Other Post-petition Payable(List):		
<u>Accrued Revenue Payable</u>	5,653.88	0
<u>Asset Retirement Obligation</u>	8,652.54	0
<u>Wages Payable</u>	45,900.00	0
<u>Intercompany Marion Energy</u>	50,000.00	0
Total Post Petition Liabilities	\$ <u>3,882,395.75</u>	\$ <u>0</u>
Pre Petition Liabilities:		
Secured Debt	34,441,393.64	34,441,393.64
Priority Debt	0.00	0.00
Unsecured Debt	128,971,221.51	128,972,704.35
Total Pre Petition Liabilities	\$ <u>163,412,615.15</u>	\$ <u>163,414,097.99</u>
TOTAL LIABILITIES	\$ <u>167,295,010.90</u>	\$ <u>163,414,097.99</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 2,910,088.00	\$ 2,910,088.00
Retained Earnings - Prepetition	-80,265,776.18	-80,265,776.18
Retained Earnings - Post-petition	-3,234,470.89	0.00
TOTAL OWNERS' EQUITY	\$ <u>-80,590,159.07</u>	\$ <u>-77,355,688.18</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ <u>86,704,851.83</u>	\$ <u>86,058,409.81</u>

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-D
PROFIT AND LOSS STATEMENT

For Period Jan 1 2015 to Jan 31 2015

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ 9,969.08	\$ 26,257.16
Less: Discounts, Returns and Allowances	(0.00)	(0.00)
Net Operating Revenue	\$ 9,969.08	\$ 26,257.16
Cost of Goods Sold	0.00	0.00
Gross Profit	\$ 9,969.08	\$ 26,257.16
Operating Expenses		
Officer Compensation	\$ 55,000.00	\$ 155,000.00
Selling, General and Administrative	122,541.55	506,044.88
Rents and Leases	8,918.07	26,754.21
Depreciation, Depletion and Amortization	6,005.45	18,016.35
Other (list): <u>Lease Operating Expenses</u>	118,598.30	307,064.87
	0.00	0.00
Total Operating Expenses	\$ 311,063.37	\$ 1,012,880.31
Operating Income (Loss)	\$ -301,094.29	\$ -986,623.15
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ 0.00	\$ 0.00
Gains (Losses) on Sale of Assets	0.00	0.00
Interest Income	0.00	0.00
Interest Expense	-793,496.53	-2,247,847.74
Other Non-Operating Income	0.00	0.00
Net Non-Operating Income or (Expenses)	\$ -793,496.53	\$ -2,247,847.74
Reorganization Expenses		
Legal and Professional Fees	\$ 0.00	\$ 0.00
Other Reorganization Expense	0.00	0.00
Total Reorganization Expenses	\$ 0.00	\$ 0.00
Net Income (Loss) Before Income Taxes	\$ -1,094,590.82	\$ -3,234,470.89
Federal and State Income Tax Expense (Benefit)	0.00	0.00
NET INCOME (LOSS)	\$ -1,094,590.82	\$ -3,234,470.89

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-E
SUPPORTING SCHEDULES
For Period: Jan 1 2015 to Jan 31 2015

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ 0	\$ 16,050.10	\$ 16,050.10	Debited by WF Payroll	\$	0
State	0	1,122.10	1,122.10	Debited by WF Payroll		0
FICA Tax Withheld	0	7,441.12	7,441.12	Debited by WF Payroll		0
Employer's FICA Tax	0	7,441.12	7,441.12	Debited by WF Payroll		0
Unemployment Tax						
Federal	0	410.50	410.50	Debited by WF Payroll		0
State	0	4,229.22	4,229.22	Debited by WF Payroll		0
Sales, Use & Excise Taxes	0	0.00	0.00			0
Property Taxes	0	0.00	0.00			0
Accrued Income Tax:						
Federal	0	0.00	0.00			0
State	0	0.00	0.00			0
Other: _____	0	0.00	0.00			0
TOTALS	\$ <u>0</u>	\$ 36,694.16	\$ 36,694.16		\$ <u>0</u>	

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	Travelers Casualty Ins Co	\$ Statutory	4/1/2015	4/1/2015
General Liability	St Paul Fire & Marine Ins	\$ 2,000,000	4/1/2015	4/1/2015
Property (Fire, Theft)	St Paul Fire & Marine Ins	\$ 3,040,594	4/1/2015	4/1/2015
Vehicle	St Paul Fire & Marine Ins	\$ 1,000,000	4/1/2015	4/1/2015
Umbrella Liability	St Paul Fire & Marine Ins	\$ 10,000,000	4/1/2015	4/1/2015
Control of Well	Travelers Property Casualt	\$ 4,000,000	5/4/2015	5/4/2015
Directors & Officers	AIG Europe	\$ 10,000,000	8/31/2014	8/31/2014

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

**Form 2-E
SUPPORTING SCHEDULES**

For Period: Jan 1 2015 to Jan 31 2015

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 20.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts	<u>0.00</u>	
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	0.00	
Net Accounts Receivable (to Form 2-C)	<u>\$ 0.00</u>	
	Total Post Petition Accounts Payable	<u>\$ 20.00</u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ 0	\$ 167170.34	\$ 42848.75		\$ 124321.59
Counsel for Unsecured Creditors' Committee	0	0	0		0
Trustee's Counsel	0	0	0		0
Accountant	0	0	0		0
Other:	0	0	0		0
Total	<u>\$ 0</u>	<u>\$ 167170.34</u>	<u>\$ 42848.75</u>		<u>\$ 124321.59</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
Karel Louman	CFO	Misc Expenses	\$ 283.60
Karel Louman	CFO	January Salary	12,500.00
Jeffrey Clarke	CEO	Travel Expense	1,736.31
Jeffrey Clarke	CEO	January Salary	15,000.00

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: Marion Energy Inc**CASE NO:** 14-31632

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: Jan 2015

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>2015</u>	\$ 402,436.32			
February	<u> </u>	0			
March	<u> </u>	0			
TOTAL 1st Quarter	\$	402,436.32 \$	<u> </u>	<u> </u>	<u> </u>
April	<u> </u>	0			
May	<u> </u>	0			
June	<u> </u>	0			
TOTAL 2nd Quarter	\$	<u> 0</u> \$	<u> </u>	<u> </u>	<u> </u>
July	<u> </u>	0			
August	<u> </u>	0			
September	<u> </u>	0			
TOTAL 3rd Quarter	\$	<u> 0</u> \$	<u> </u>	<u> </u>	<u> </u>
October	<u>2014</u>	0			
November	<u>2014</u>	386,810.88			
December	<u>2014</u>	325,655.80			
TOTAL 4th Quarter	\$	<u> 712,466.68</u> \$	<u> 325.00</u>	<u> 1059</u>	<u> 1/26/2015</u>

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

DEBTOR: Marion Energy Inc

CASE NO: 14-31632

Form 2-G
NARRATIVE
For Period Ending 01/31/2015

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

The Debtor continues to operate its business and manage its assets as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this case. The Debtor filed the motions to assume its non-residential real property leases with respect to the federal units comprising Clear Creek Field and Helper Field, and to extend the deadline to assume or reject the lease of its office space. The hearing on those motions will be held on February 24, 2015, at 3:00 p.m. The Debtor continues its efforts to market the Clear Creek Field and to bring the field into full production.

Marion Energy Inc
Bank Reconciliation
January 2015

	Acct 9882	Acct 7247 (1)	Acct 0277 (1)
Balance per General Ledger	340,842.76	-	0
Outstanding Items:			
US Trustee	1059 325.00		
David Smith	1064 1,500.00		
Brown Insurance Svcs	1065 11,994.00		
WF Service Charge		(20.00)	
	<u>13,819.00</u>	<u>(20.00)</u>	<u>-</u>
Balance per bank	<u>354,661.76</u>	<u>(20.00)</u>	<u>-</u>

Note: This account is not yet closed due to a control agreement that is in place. Marion is in the process of requesting TCS II release the control agreement in order to close these accounts. The credit balance in acct 7247 relates to monthly service charges for the month of Jan 2015. Funds were transferred to this account to cover the fees on 02/02/15.

Account number 9882 ■ January 1, 2015 - January 31, 2015 ■ Page 1 of 3

WELLS
FARGO

MARION ENERGY INC
OPERATING ACCOUNT
DEBTOR IN POSSESSION
CH 11 CASE # 14-31632 (UT)
2150 S CENTRAL EXPY STE 380
MCKINNEY TX 75070-4068

Questions?

Available by phone 24 hours a day, 7 days a week:
1-800-CALL-WELLS (1-800-225-5935)

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (808)
McKinney Towne Crossing
8990 State Hwy 121
McKinney, TX 75070

Account summary

Analyzed Business Checking

Account number	Beginning balance	Total credits	Total debits	Ending balance
9882	\$385,008.67	\$402,713.75	-\$433,060.66	\$354,661.76

Credits

Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	01/14	914.11	Wells Fargo Busi Tax Col Payroll Allen 7135756
	01/14	1,799.64	Marion Energy IN WF Payroll 150115 7135756 Payroll DD
	01/20	400,000.00	WT Seq201588 Castlake II Lp /Org=Castlake Lp Srf# IN15012007534901 Trn#150120201588 Rfb# 000024565
		\$402,713.75	Total electronic deposits/bank credits
		\$402,713.75	Total credits

Debits

Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	01/02	275.00	Online Transfer Ref #Bben3x7Dkc to 8762827247 on 01/02/2015 0847 Am
	01/06	3,500.00	WT Seq#59792 Thomas Petroleum, LLC - /Bnf=Thomas Petroleum LLC Srf# IN15010609020535 Trn#150106059792 Rfb# 000000274
	01/06	5,940.85	WT Fed#05712 Zions First Nation /Ftr/Bnf=Dave's Enviro Rehab Srf# IN15010609025697 Trn#150106059965 Rfb# 000000275
	01/07	8,090.00	WT Fed#09118 Zions First Nation /Ftr/Bnf=Dave's Enviro Rehab Srf# IN15010707175627 Trn#150107041209 Rfb# 000000276
	01/12	286.60	Client Analysis Srvc Chrg 150109 Svc Chge 1214 000005326349882
	01/14	87.75	Marion Energy IN WF Payroll 150115 7135756 Payroll Invoice
	01/14	20,372.24	Wells Fargo Busi Tax Col Payroll Allen 7135756
	01/14	45,626.48	Marion Energy IN WF Payroll 150115 7135756 Payroll DD

WELLS
FARGO**Electronic debits/bank debits (continued)**

Effective date	Posted date	Amount	Transaction detail
	01/14	70.96	Marion Energy IN WF Payroll 150115 7135756 Payroll Invoice
	01/16	40,000.00	WT Fed#07891 Amegy Bank, N.A. /Ftr/Bnf=Traton Engineering Srf# IN15011610084554 Tm#150116090243 Rfb# 000000277
	01/20	3,000.00	WT Fed#00960 Central Bank /Ftr/Bnf=Clear Creek Homeowners Assn Srf# IN15011908011826 Tm#150120002055 Rfb# 000000278
	01/20	3,000.00	WT Seq#79474 Thomas Petroleum, LLC - /Bnf=Thomas Petroleum LLC Srf# IN15012007121560 Tm#150120079474 Rfb# 000000279
	01/20	10,000.00	WT Fed#08192 Zions First Nation /Ftr/Bnf=Bodec Inc. Srf# IN15012009202661 Tm#150120113632 Rfb# 000000280
	01/21	1,334.37	WT Fed#09970 Compass Bank /Ftr/Bnf=Jeffrey Clarke Srf# IN15012109035809 Tm#150121070131 Rfb# 000000281
	01/22	84.00	Wells Fargo Busi Tax Col Payroll Allen 7135756
	01/22	21.24	Utah801/297-7703 Tax Paymnt xxxxx2688 Marion Energy Inc
	01/22	21.47	Utah801/297-7703 Tax Paymnt xxxxx2432 Marion Energy Inc
	01/22	21.62	Utah801/297-7703 Tax Paymnt xxxxx0816 Marion Energy Inc
	01/22	25.08	Utah801/297-7703 Tax Paymnt 1898414592 Marion Energy Inc
	01/22	46.00	Utah801/297-7703 Tax Paymnt 2099520000 Marion Energy Inc
	01/22	1,311.27	Utah801/297-7703 Tax Paymnt xxxxx4992 Marion Energy Inc
	01/23	27,849.81	WT Fed#03409 Td Bank, NA /Ftr/Bnf=Douglas Flannery Srf# IN15012307151690 Tm#150123044781 Rfb# 000000282
	01/27	92.00	Marion Energy IN WF Payroll 150127 7135756 Payroll Invoice
	01/27	3,514.15	WT Fed#00700 Zions First Nation /Ftr/Bnf=The Calvin K Jacob Family Ptrship Srf# IN15012707381340 Tm#150127044072 Rfb# 000000283
	01/28	5,000.00	WT Fed#09012 Jpmorgan Chase Ban /Ftr/Bnf=Leland Endsley Srf# IN15012808433974 Tm#150128063773 Rfb# 000000284
	01/29	85.35	Marion Energy IN WF Payroll 150130 7135756 Payroll Invoice
	01/29	17,152.03	Wells Fargo Busi Tax Col Payroll Allen 7135756
	01/29	43,826.94	Marion Energy IN WF Payroll 150130 7135756 Payroll DD
	01/29	12,460.70	WT Fed#02414 Jpmorgan Chase Ban /Ftr/Bnf=Parsons, Behle & Latimer Srf# IN15012814284321 Tm#150128150112 Rfb# 000000285
	01/29	30,388.05	WT Fed#02421 Jpmorgan Chase Ban /Ftr/Bnf=Parsons, Behle & Latimer Srf# IN15012814291841 Tm#150128150182 Rfb# 000000286
	01/29	283.60	WT Fed#03526 Jpmorgan Chase Ban /Ftr/Bnf=Karel Louman Srf# IN15012909134980 Tm#150129076535 Rfb# 000000287
	01/29	401.94	WT Fed#08398 Compass Bank /Ftr/Bnf=Jeffrey Clarke Srf# IN15012912013278 Tm#150129121200 Rfb# 000000288
	01/30	275.00	Online Transfer Ref #Bbek7526YI to 8762827247 on 01/30/2015 1138 Am
		\$284,444.50	Total electronic debits/bank debits

Checks paid

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
1011	11,977.88	01/13	1040	2,301.00	01/13	1046	15,210.00	01/13
1032*	1,000.00	01/02	1041	832.22	01/14	1047	19,464.06	01/14
1036*	4,550.00	01/05	1042	1,344.27	01/09	1048	100.00	01/12
1037	9,200.00	01/07	1043	142.35	01/12	1049	18,711.33	01/12
1038	9,481.11	01/07	1044	9,180.82	01/08	1050	400.00	01/15
1039	5,520.60	01/06	1045	3,191.60	01/08	1051	52.99	01/16

Account number:

9882

January 1, 2015 January 31, 2015 Page 3 of 3

WELLS
FARGO**Checks paid (continued)**

Number	Amount	Date	Number	Amount	Date	Number	Amount	Date
1052	198.00	01/15	1060*	2,430.00	01/30	100015	55.37	01/15
1053	4,481.58	01/22	1061	293.50	01/27	100016	307.66	01/09
1054	9,562.50	01/22	1062	1,588.16	01/28	100017	180.03	01/12
1055	5,940.00	01/23	100011*	180.03	01/13	100018	134.64	01/08
1056	4,000.00	01/20	100012	396.24	01/16	100019	135.03	01/09
1057	213.78	01/20	100013	180.03	01/13	100020	70.27	01/20
1058	5,541.84	01/26	100014	67.27	01/09			
\$148,616.16			Total checks paid					

* Gap in check sequence.

\$433,060.66 Total debits**Daily ledger balance summary**

Date	Balance	Date	Balance	Date	Balance
12/31	385,008.67	01/12	303,669.51	01/22	511,784.83
01/02	383,733.67	01/13	273,820.57	01/23	477,995.02
01/05	379,183.67	01/14	190,080.61	01/26	472,453.18
01/06	364,222.22	01/15	189,427.24	01/27	468,553.53
01/07	337,451.11	01/16	148,978.01	01/28	461,965.37
01/08	324,944.05	01/20	528,693.96	01/29	357,366.76
01/09	323,089.82	01/21	527,359.59	01/30	354,661.76

Average daily ledger balance \$352,763.74**IMPORTANT ACCOUNT INFORMATION**

We want to inform you that at least 30 calendar days' notice is required when you terminate Treasury Management Services. This applies only to Treasury Management agreements that do not already include it and takes effect immediately. This provision will support Wells Fargo's treatment of funds in account(s) associated with Treasury Management Services under new federal regulations implementing liquidity standards. Please note: Access to your accounts and Treasury Management Services is not affected in any way.

If you have questions about this notice, please contact your bank representative, or call the number listed at the top of your statement.

NOTICE: Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery PO Box 5058 Portland, OR, 97208-5058. You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

Business High Yield SavingsAccount number: **7247** ■ January 1, 2015 - January 31, 2015 ■ Page 1 of 3**WELLS
FARGO**

MARION ENERGY INC
2150 S CENTRAL EXPY STE 380
MCKINNEY TX 75070-4068

Questions?

Available by phone 24 hours a day, 7 days a week:

1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wellsfargo.com/biz

Write: Wells Fargo Bank, N.A. (808)
P.O. Box 6995
Portland, OR 97228-6995

Your Business and Wells Fargo

Don't forget to notify us of your business travel plans to help avoid issues when using your Wells Fargo cards while traveling. It's easy to notify us online at wellsfargo.com/travelplan, through the Wells Fargo mobile app, or by calling the phone number on the back of your card.

Activity summary

Beginning balance on 1/1	-\$275.00
Deposits/Credits	550.00
Withdrawals/Debits	- 295.00
Ending balance on 1/31	-\$20.00
Average ledger balance this period	\$8.87

Account number: **:7247****MARION ENERGY INC**

Texas/Arkansas account terms and conditions apply

For Direct Deposit use

Routing Number (RTN): 111900659

For Wire Transfers use

Routing Number (RTN): 121000248

Interest summary

Interest paid this statement	\$0.00
Average collected balance	\$17.74
Annual percentage yield earned	0.00%
Interest earned this statement period	\$0.00
Interest paid this year	\$0.00
Total interest paid in 2014	\$770.59

Transaction history

Date	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
1/2	Online Transfer Ref #Bben3x7Dkc From 5326349882 on 01/02/2015 0847 Am	275.00		0.00
1/30	Online Transfer Ref #Bbek7526Y1 From 5326349882 on 01/30/2015 1138 Am	275.00		

WELLS
FARGO**Transaction history (continued)**

Date	Description	Deposits/ Credits	Withdrawals/ Debits	Ending daily balance
1/30	Monthly Service Fee		20.00	
1/30	Daca Maintenance Fee		275.00	-20.00
Ending balance on 1/31				-20.00
Totals		\$550.00	\$295.00	

The Ending Daily Balance does not reflect any pending withdrawals or holds on deposited funds that may have been outstanding on your account when your transactions posted. If you had insufficient available funds when a transaction posted, fees may have been assessed.

Monthly service fee summary

For a complete list of fees and detailed account information, please see the Wells Fargo Fee and Information Schedule and Account Agreement applicable to your account or talk to a banker. Go to wellsfargo.com/feefaq to find answers to common questions about the monthly service fee on your account.

Fee period 01/01/2015 - 01/31/2015	Standard monthly service fee \$20.00	You paid \$20.00
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How to avoid the monthly service fee

Have any **ONE** of the following account requirements

- Minimum daily balance
- Average collected balance

Minimum required

This fee period

\$25,000.00

-\$275.00 ☐

\$50,000.00

\$9.00 ☐

Y/N/Y

**IMPORTANT ACCOUNT INFORMATION**

The following information is provided to help clarify an existing fee waiver associated with Overdraft fees. The benefit has not changed. At the end of our nightly processing, if both your ending daily account balance and your available balance are overdrawn by \$5 or less, any overdraft fee(s) will be waived. This fee waiver is associated with your total overdrawn balance, not the dollar size of the transaction(s) contributing to the overdrawn balance.



■ **Notice:** Wells Fargo Bank, N.A. may furnish information about accounts belonging to individuals, including sole proprietorships, to consumer reporting agencies. If this applies to you, you have the right to dispute the accuracy of information that we have reported by writing to us at: Overdraft Collections and Recovery, P.O. Box 5058, Portland, OR 97208-5058.

You must describe the specific information that is inaccurate or in dispute and the basis for any dispute with supporting documentation. In the case of information that relates to an identity theft, you will need to provide us with an identity theft report.

1. Use the following worksheet to calculate your overall account balance.
2. Go through your register and mark each check, withdrawal, ATM transaction, payment, deposit or other credit listed on your statement. Be sure that your register shows any interest paid into your account and any service charges, automatic payments or ATM transactions withdrawn from your account during this statement period.
3. Use the chart to the right to list any deposits, transfers to your account, outstanding checks, ATM withdrawals, ATM payments or any other withdrawals (including any from previous months) which are listed in your register but not shown on your statement.

A. The ending balance
shown on your statement \$

B. Any deposits listed in your register or transfers into your account which are not shown on your statement.

	\$	_____
	\$	_____
	\$	_____
	+	\$ _____
.....	TOTAL	\$ _____

.....TOTAL \$

C. The total outstanding checks and withdrawals from the chart above - \$

This amount should be the same as the current balance shown in your check register

[illegible]